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BUDGET ADDRESS

Delivered by

The Hon. Leslie M. Frost

Treasurer of the Province of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, March 9th, 1945

On Moving the House into Committee of Supply

Also Statements of

COMPARATIVE AND STATISTICAL
INFORMATION



ONTARIO

TORONTO

Printed and Published by T. E. Bowman, Printer to the King's Most Excellent Majesty
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CHRONOLOGICAL INDEX


SUBJECT	PAGE
1—Preface.....	7
2—Dominion-Provincial Relations.....	7, 8
3—Considerations involved in shift of Tax burden.....	8, 9
4—Reasons for assuming so large a share of Tax burden.....	9
5—Powers of the Province to raise money limited.....	9, 10
6—Conservation of Credit.....	10
7—Contemplated Post War Development Schemes.....	11
8—Servicing of Public Debt—Reduction in Interest Costs.....	11
9—Debt Reduction.....	11, 12
10—Estimated Statement of Changes in Public Debt for Fiscal Year to end March 31, 1945.....	12
11—Particulars of Public Financing for Fiscal Year to end March 31, 1945.....	13
12—Further Reduction in Interest Charges for Fiscal Year April 1, 1945—March 31, 1946..	13, 14
13—Province of Ontario Savings Offices.....	14, 31
14—Highways.....	14
15—Agricultural Loans.....	15
16—Interim Statement—Ordinary Expenditure, Fiscal Year 1944–1945.....	16
17—Interim Statement—Ordinary Revenue Fiscal Year 1944–1945.....	17
18—Interim Summary—Fiscal Year 1944–1945.....	18
19—Interim Statement—Capital Receipts, Fiscal Year 1944–1945.....	19
20—Interim Statement—Capital Payments, Fiscal Year 1944–1945.....	19
21—Summary Accounting for Estimated Decrease in Gross Debt, Fiscal Year to end March 31, 1945.....	20
22—Estimated Statement of Contingent Liabilities as at March 31, 1945.....	21
23—Estimated Statement of Decrease in Net Debt as at March 31, 1945.....	21
24—Ways and Means, 1945–1946.....	22
25—Budget Forecast of Ordinary Revenue, Fiscal Year April 1, 1945–March 31, 1946....	23
26—Budget Forecast of Ordinary Expenditure, Fiscal Year April 1, 1945–March 31, 1946..	24
27—Budget Forecast of Capital Receipts, Fiscal Year April 1, 1945–March 31, 1946....	24
28—Budget Forecast of Capital Payments, Fiscal Year April 1, 1945–March 31, 1946....	25
29—Summary—Budget Forecast, Fiscal Year April 1, 1945–March 31, 1946.....	25
30—Comments—	
Department of Agriculture.....	25
Department of Game and Fisheries.....	25, 26
Department of Health and Welfare.....	26
Department of Mines.....	26
Department of Lands and Forests.....	26
Hydro-Electric Power Commission of Ontario.....	27
Department of Municipal Affairs.....	27
Department of Education.....	27
31—Summarization of some Salient Features of this Budget.....	27, 28
32—Conclusion.....	28

ANALYTICAL INDEX

SUBJECT	PAGE
1—ONTARIO GOVERNMENT POLICY—	
Considerations involved in shift of Tax Burden.....	8, 9
Conservation of Credit.....	10
Report for Year 1944-1945.....	14
Agreements to eliminate evils of Multiple Succession Duties.....	8
Advance Payment to School Boards.....	18, 22, 27
Implementing of Pledges.....	22
2—DOMINION-PROVINCIAL RELATIONS—	
Clarification of Taxation Field.....	7
Powers of Province to Raise Money.....	9, 10
3—GOVERNMENT'S POST WAR ACTIVITIES—	
Some of the Development Schemes in contemplation.....	11
4—MUNICIPALITIES—	
Subsidy in Reduction of Tax on Real Estate to be continued.....	27
5—PUBLIC DEBT—	
Servicing of Debt.....	11
Debt Reduction.....	11, 12
Estimated Changes for Year to end on March 31, 1945.....	12
Particulars of Public Financing for Fiscal Year to end March 31, 1945.....	13
Interest Charges for Fiscal Year 1945-1946 to show Decrease.....	13
Summary Accounting for Estimated Decrease in Gross Debt, Fiscal Year to end March 31, 1945.....	12
Contingent Liabilities Estimated as at March 31, 1945.....	21
Estimated Decrease in Gross Debt as at March 31, 1945.....	20
Estimated Decrease in Net Debt as at March 31, 1945.....	21
6—FISCAL YEAR, APRIL 1, 1943-MARCH 31, 1944—	
Balance Sheet, Province of Ontario Savings Office.....	31
Statement of Gross and Net Debt as at March 31, 1944.....	34, 35
Statement showing Investment of Provincial Debt as at March 31, 1944.....	36
Statement showing Decrease—Gross Provincial Debt as at March 31, 1944.....	37
Statement showing Decrease—Net Provincial Debt as at March 31, 1944.....	38
7—FISCAL YEAR APRIL 1, 1944-MARCH 31, 1945—	
Interim Statement of Ordinary Expenditure.....	16
Interim Statement of Ordinary Revenue.....	17
Summary.....	18
Interim Statement of Capital Receipts.....	19
Interim Statement of Capital Payments.....	19
8—FISCAL YEAR APRIL 1, 1945-MARCH 31, 1946—	
Statements of Budget Forecast—	
Ordinary Account—	
Revenue.....	23
Expenditure.....	24
Summary.....	25
Capital Account—	
Receipts.....	24
Payments.....	25
Analysis of Budgeted Gross Revenue.....	32
9—TAXATION AND FEES—	
No new taxation to be imposed.....	22
10—Activities of Departments, Boards and Commissions—	
Province of Ontario Savings Offices—	
Increase in Deposits.....	14
Highways—	
Avoidance of Expensive Extensions during Wartime.....	14
Treasury—	
Agricultural Loans—	
Results of Operations.....	15

ANALYTICAL INDEX—Continued

10—Activities of Departments, Boards and Commissions—Continued.	PAGE
Agriculture—	
Provision made to carry on Subsidies for coming year.....	25
Game and Fisheries—	
Extension in Work of Preventative and Conservation Services.....	25
Health and Welfare—	
Services maintained in spite of large number of Enlistments and shortage of	
Medical Personnel.....	26
Mothers' Allowances—Beneficiaries reduced but Allowances Increased....	26
Unemployment Relief—Food allowances increased.....	26
Labour—	
Extension of Work.....	26
Mines—	
Additional Appropriations to Extend Services.....	26
Lands and Forests—	
Betterment of Forestry in Ontario.....	26
Hydro-Electric Power Commission—	
Extension of Benefits.....	27
Municipal Affairs—	
Subsidy of 1 Mill to Municipalities to be continued.....	27
Education—	
Benefits extended to Teachers and Inspectors through changes in Super-	
annuation Fund.....	27
11—Salient Features of Budget Summarized.....	27, 28
12—Conclusion.....	28



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BUDGET ADDRESS

DELIVERED BY

THE HON. LESLIE M. FROST

TREASURER OF THE PROVINCE OF ONTARIO

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MARCH 9th, 1945

Mr. Speaker: A year ago when introducing the Budget for the fiscal year 1944-45, I said that we had met in most difficult days; that we had a long and difficult path ahead; that this was a wartime legislature and that the Budget would be a Wartime Budget. All of these things hold true to-day. Victory is assured if we adhere to our determination to win. The path which leads to peace is still difficult. There are great sacrifices in men and material still to be made. This is still a wartime legislature. This, again, will be a Wartime Budget.

Last year I discussed at some length Dominion-Provincial relationships, including our field in the wartime economy, particularly as circumscribed by the Dominion-Provincial Agreement. I referred to the unselfish co-operation which the Province of Ontario was glad to extend in order to assist and encourage the Government and Parliament of Canada to wage total war against the Axis powers. As a result our postwar planning has been made much more difficult. While most States of the American Union have piled up huge cash surpluses to be used in postwar development, the Province of Ontario has turned over to the Dominion Government taxing rights from which very large sums would have accrued to the Province.

The Government believes that it is most important that there should be a clarification of the various fields, including that of taxation, to be occupied by the Dominion and Provincial Governments. Otherwise, it is quite impossible for the Province and its more than 900 municipalities to properly deal with postwar questions. It is inevitable that the Province will be confronted with great expenditures following the war. It is necessary that we should not only have plans prepared to undertake these tasks but we should know how long it will be before we may expect to receive sufficient revenues from our own fields of taxation to meet the obligations which will be placed before us.

We do not attempt to conceal our disappointment at the failure of the Dominion Government to call a Dominion-Provincial Conference. It is of the highest order of importance that such a conference should be convened without further delay. We believe that on that conference depends the ability of the governments of all the provinces and their municipalities to plan wisely for the postwar days. Ontario has been willing and anxious to confer in a spirit of goodwill and co-operation as a member of a great Confederation with all other govern-

ments. Unfortunately, we have been denied that opportunity. The Government and Legislature of Ontario in good faith entered into the Agreement of 1942. In the same spirit of co-operation and good faith it had the right to expect that, in this fiscal year just closing when we are hurrying on to the days of peace with all of the attendant problems, a conference would have been held to the end that this Province and all of the provinces of Canada could have planned soundly and wisely for the coming days.

Denied the opportunity of meeting at the conference table with the other governments of Canada, the Government of Ontario nevertheless proceeded to attempt to dispose of certain problems within its constitutional powers. Great injustices and inequalities exist in our tax structure. These have been magnified and multiplied by the impact of heavy Federal taxation. One of the essentials of postwar planning is to bring about freedom of investment. The attraction of capital to our Province and the free employment of the same would create prosperity and work, inevitably leading, among other things, to larger sources of revenue. Duplication of taxation, particularly in succession duties, has resulted in restrictions in the investment of capital. It has been plain for some time past that this evil is increasing. Barriers to development have thus been created. The Government of Ontario led the way in offering to the other provinces to eliminate the evils of multiple succession duties. Agreements have been arrived at with the Provinces of Quebec and Nova Scotia. Other agreements are in contemplation. A sound step in the advancement of interprovincial relations has been taken. It is hoped that this will lead to the ultimate uniformity in taxing methods and in the simplification of administrative procedure as between the provinces of Canada. Other conferences have been held on a variety of subjects. What has been achieved at these meetings is only a forerunner of what can be achieved at a wider conference. In such a spirit the Government of Ontario, since August, 1943, has been ready and anxious to confer with the Federal Government and with the governments of our sister provinces.

The Government decided that it should no longer wait in making a readjustment in municipal taxation and the costs of education. Desirable as a Dominion-Provincial conference would have been as a forerunner to such an adjustment, nevertheless, the Government held that it could no longer delay in this important matter if it was to proceed in its efforts for a sounder after-the-war economy. Real estate in Ontario has an assessed value of nearly three and a half billion dollars. Heavy taxation has discouraged building and improving, with the result that this great asset has been to an extent frozen. This has in the past reflected itself in reduced activities of the building trade and it is in the falling off in this trade that most economic depressions have commenced. High taxation has discouraged our people from owning and building their own homes and from owning and operating their own farms. As part of our plans for a greater Ontario it was believed that the Government should act without further delay despite the fact that our Dominion-Provincial relationships had not been clarified.

Following are some of the considerations involved in the huge shift of the tax burden undertaken by this Government,—

1. To give full opportunities of education to every child.
2. To remove some of the crushing burden on real estate.
3. To encourage our fighting men with the knowledge that we are making it easier for them to own their own homes.

4. To encourage activities in real estate and induce employment in the building trades.
5. To enable the municipalities to attract business and industry by reason of lower taxes.

As stated, one of the underlying reasons for the Province assuming so large a share of the cost of education was to take steps to ensure that every child in the Province would have the opportunity to be educated to the full extent of his or her mental capacity no matter where he or she might live nor what the financial circumstances of his or her parents may be. Upon the health and education of our children depends the future of the Province. This adjustment of taxation, which is the greatest ever undertaken by any Province in the history of Canada, provides the opportunity for correcting glaring defects in our educational system. These include equalization of standards of buildings and of equipment as between the larger and the smaller communities, providing broader facilities for vocational education, correcting disparities of salaries and enabling the unification of the small, single-room units into larger and more efficient schools with ampler facilities for meeting the needs of the day. The Government has not attempted to encroach upon the authority of the school boards and is willing and anxious to co-operate with them in great education reforms. At this time, however, school boards are urged not to indulge in extravagance but to economize in a reasonable and practical way. Again I say, this is a Wartime Budget. At this time of crisis economy is essential.

Another reason for this great adjustment has been to reduce the excessive burden of taxation which has been injuring real estate. Since the inception of our school system by Dr. Ryerson nearly a hundred years ago school taxation has been principally levied upon real estate. The burden of taxation has increased. The relative value of real estate has lessened. We have unscientifically added to the tax structure which was devised for conditions of a hundred years ago. At this time I frankly say that while it is the duty of the school boards to economize in every reasonable and practical way, it is the duty of municipal councils to pass the great reduction in school levies on to their taxpayers. In so doing our municipalities will not only be helping themselves and their ratepayers but will also be assisting their government to bring about broader tax adjustments which will remove the inequalities and injustices in our tax system, with all of their tragic effects on our development. A general adjustment in the tax load will provide the stimulation necessary to encourage agriculture, business and industry, to provide for the development of our country and for the full employment of our people.

In approaching the problem a thorough study has been made of our whole provincial tax structure. Extensive reference was made to this matter in the Budget speech of a year ago. Without attempting a detailed examination of the rights which the Province derives from the British North America Act, it is well to remember that our constitution clearly limits the powers of the provinces and reserves to the central government all powers not especially delegated to provincial authority.

Our powers as a legislature cannot be compared with the broad taxation and fiscal powers of the Dominion Parliament. We have no control of banking and currency, which are purely Dominion functions. The Dominion has complete control of indirect taxation. The powers of the Province to raise money are limited generally to the following:—

1. Direct taxation.
2. Borrowing money on the sole credit of the Province.
3. The management and sale of public lands and natural resources.
4. The imposition of licenses and the carrying on of certain commercial enterprises such as the Liquor Control Board of Ontario.

In the present difficult times we are confronted on the one hand with making, for the reasons stated, a very great change in real estate taxation which involves a very large increase in the amount of the provincial budget. At the same time we have the desirability of balancing our budget. In the face of this we are not blind to the fact that we have inequalities and injustices in our tax system which we believe if not remedied will materially hamper the development of our country, restrict industry, lessen employment and diminish and render less buoyant the revenues of not only this Government but all the other governments in Canada. As stated before we think that this is one of the very important matters which should be considered by a Dominion-Provincial conference, the urgency of which cannot be over-emphasized. We have made a very careful survey of further sources of revenue which could be derived by way of direct taxation, which include such as amusement tax, further taxes on tobacco and liquors, meals tax and sales tax. In taking the long view of our situation the question presents itself as to whether we should impose new taxes prior to a Dominion-Provincial conference which may radically alter the tax structure generally.

On the other hand we are faced with the necessity of conserving our credit by balancing our budget and stabilizing our net debt and reducing the same when possible. I stated previously in this House that as soon as the Dominion-Provincial tax agreement is terminated that we should make provision for the orderly retirement of our present net debt and provide that all further borrowings should be retired within the lifetime of the works for which they were incurred. This, of course, is predicated on balanced budgets. The great increase in our provincial budget this year brought about by educational and real estate taxation reforms, together with the clear limitations in taxation imposed upon us, raises the question of deficit financing to carry us over this difficult period. There are conditions of emergency in which deficit financing would have justification. I am not opposed to the proper use of credit. It is a real asset which in the belief of this Government should be conserved and in cases of necessity should be soundly used. I repeat what I said last year. Our credit is a great asset which we should protect and conserve at all times for use in times of emergency such as we shall inevitably face at the termination of this war when sound expansion and development can be undertaken. It might be argued that the great adjustment which we are now undertaking and which it designed to create better conditions following the war is an emergency in which we would be justified in using our credit. I am not discounting this argument. At the same time I still feel that this is a method to which we should not take recourse unless absolutely necessary. It has therefore been decided that we should presently adhere to our resolve to avoid, except where absolutely necessary, the creation of new debt. The Government feels that in the sound development schemes of the future that we are going to require our credit for the construction of roads and public works which will tend to open up and develop the Province. When this time comes we hope, as stated, that the repayment of the same will be on an orderly basis within the lifetime of the works created.

May I here briefly refer to some of the development schemes which are in contemplation for postwar days. The whole field of conservation and flood control is being surveyed and investigated. Plans have been prepared which will lead to the development of the roads of the Province and the opening to our people and to the visitors whom we know will flock here, the natural beauties of our Province. The Tourist Industry alone will bring to Ontario many millions of dollars annually in new business. Very extensive Hydro-Electric developments are in contemplation. Our forests will be conserved and used in such a way as to provide not only constantly expanding fields of employment but new wealth which will inure to the benefit of our people. Increased expenditures will be made in conserving the fish and wild life of the Province from which we can get great benefits. Plans are in preparation for the Mining Industry which we confidently count will contribute greatly to the wealth of the Province.

In facing the problem, the Government first decided that a sound step was that of practising the old homely virtue of economy. Every effort has been made to avoid unnecessary overhead costs. The Treasury Board has constantly checked governmental expenditure in an endeavour to constantly keep the same under review, with results which I shall endeavour to report upon in detail. One of the heaviest charges upon the Provincial Government is the payment of interest on our Net Debt.

It is customary to refer to the cost of servicing the Public Debt and expenditures required to procure Foreign Exchange in order to meet the interest charges as well as the debt maturities on those debts which are payable in currency other than that of the Dominion of Canada, as "uncontrollable expenditures." This is true only in part, as will be understood on an examination of the figures that I am about to give to the House.

Such expenditures are "uncontrollable" to the extent that the commitments have been made by borrowing on the credit of the Province and issuing bonds with coupon bearing fixed rates of interest. Moreover, those bonds which contain a provision entitled the holder at his option to payment in American Funds require the purchase of New York Exchange at a cost of 11 per centum premium, but, I am glad to state, we have been able to reduce the cost of interest by a considerable amount.

For example:

The net cost of interest and Foreign Exchange for the fiscal year ended March 31st, 1943, amounted to.....	\$22,945,087.02
For the fiscal year ended March 31st, 1944.....	22,182,488.74
And for the fiscal year which will end on the 31st March, 1945, the cost will be.....	20,682,600.00
This shows an estimated reduction for the year which ends on March 31st, 1945, of.....	1,499,888.774
or a reduction in two years, i.e., from March 31st, 1943, to March 31st, 1945, of.....	2,262,487.02

This impressive accomplishment is the result of following sound policy, especially in respect to refinancing maturing obligations. Three factors are worthy of some attention:

1. Debt Reduction:

As indicated in my Budget Address delivered on the 16th March last year, the Funded Debt of the Province as of the 31st March, 1944, showed an actual decrease for the fiscal year of \$ 701,567.16

Treasury Bills outstanding were decreased by 40,000,000.00

This year it is expected that the Funded Debt will be decreased by the sum of 27,109,209.98

For the information of the House, I table a statement giving a detailed summary of the estimated change in the Funded Debt for the fiscal year to end on March 31st, 1945, showing a net decrease of 27,109,209.98

PROVINCE OF ONTARIO
THE FUNDED DEBT OF ONTARIO

Detailed Summary of Estimated Changes for the Fiscal Year to end on
March 31st, 1945

As at March 31st, 1944 (after deducting Sinking Funds) \$609,703,362.81

ADD—Sale of Debentures:

TFF—3½%, due October 15th, 1973	\$ 2,000,000.00	
RZ—2½%, due August 1st, 1945-54	10,000,000.00	
RAA—1½%, due March and September 1st, 1946-47	8,000,000.00	
TFE—3¼%, due January 1st, 1962	1,150,000.00	
TI—4½%, due November 1st, 1952	2,500,000.00	
TFB—3½%, due January 1st, 1952	100,000.00	
TFC—3¼%, due January 1st, 1962	150,000.00	23,900,000.00
		<u>\$633,603,362.81</u>

LESS—Redemptions:

RM—2%, due May 1st, 1944	\$ 1,250,000.00
AL—4%, due May 15th, 1944	587,000.00
AP—4½%, due May 15th, 1944	524,000.00
AS—4%, due June 1st, 1944	505,000.00
RK—1½%, due June 1st, 1944	1,200,000.00
RD—2½%, due August 1st, 1944	10,000,000.00
RX—1¾%, due September 1st, 1944	2,000,000.00
AG—4½%, due September 1st, 1944	18,325,000.00
RY—1¾%, due September 15th, 1944	1,000,000.00
AK—4½%, due November 1st, 1944	800,000.00
RQ—2%, due November 1st, 1944	1,200,000.00
RS—2%, due November 1st, 1944	1,050,000.00
AH—4½%, due December 1st, 1944	695,000.00
AJ—4%, due January 1st, 1945	793,000.00
AR—4½%, due January 15th, 1945	460,000.00
RB—2½%, due January 15th, 1945	1,000,000.00

\$41,389,000.00

Railway Aid Certificates 19,478.29

Increase in Sinking Fund and other Investments—Current
Year 9,600,731.69 51,009,209.98

Estimated as at March 31st, 1945 (after deducting Sinking Funds) \$582,594,152.83

Total Redemptions and Increase in Sinking Funds \$51,009,209.98

LESS—New Issues 23,900,000.00

NET DECREASE \$27,109,209.98

Treasury Bills which were outstanding in the amount of \$3,000,000.00 at the end of the last fiscal year have all been paid off. Therefore the decrease in the Funded Debt and the Treasury Bills Debt for the current fiscal year amount to \$30,109,209.98

2. I give you the particulars of Public Financing for the fiscal year which ends on the 31st instant:—

On August 1st, 1944, there matured \$10,000,000.00 of debentures issued on August 1st, 1937, and bearing a $2\frac{1}{2}\%$ interest rate. These debentures were sold at a rate of 97.79 to cost 2.85%. At maturity they were refunded by a \$10,000,000.00 issue of $2\frac{1}{2}\%$ debentures dated August 1st, 1944, and maturing \$1,000,000.00 in each year from 1945 to 1954. The debentures issued on August 1st, 1944, were sold at a rate of 100.125 and cost over an averaged maturity 2.48%.

On September 1st, 1944, there matured \$18,325,000.00 of debentures payable in Canada, London and New York dated September 1st, 1924, and bearing a $4\frac{1}{2}\%$ interest rate. The debentures were sold at a rate of 94.8697 to cost 4.90576%. At maturity they were refunded as follows:—

$1\frac{1}{2}\%$ Provincial Issue.....	\$ 8,000,000.00
Hydro—Repayment of Advances.....	8,176,575.13
Consolidated Revenue Fund.....	2,148,424.87
	<hr/>
	\$18,325,000.00
	<hr/>

The Province issued to refund in part the above maturity $1\frac{1}{2}\%$ debentures payable in New York in the amount of \$8,000,000.00, dated September 1st, 1944, and maturing at the rate of \$2,000,000.00 on March 1st and September 1st, 1946, and March 1st and September 1st, 1947. This refunding issue was sold at a price to cost 1.67%. The Hydro-Electric Power Commission of Ontario issued, to refund in part their repayment of \$8,176,573.13, debentures in the amount of \$5,000,000.00 dated September 1st, 1944, payable in New York and bearing an interest rate of $1\frac{1}{2}\%$. This Hydro issue was sold at a price to cost 1.70%.

3. I am able to inform the House that interest charges for the fiscal year which begins on April 1st will show a further reduction. In planning the financial programme of the Government in such a way as to secure the benefits of further reduction in interest, I now inform the House of one transaction in refunding which will save more than \$225,000.00 in interest charges next year: In July of 1942 the Government of the day borrowed \$15,000,000.00 in New York to meet maturing obligations. The coupon rate was $2\frac{1}{2}\%$; the term of the loan, 3 years; and the price obtained for the debentures resulted in the money costing 3% per annum. I am not criticising this transaction, which, in view of the military and world political situation that existed at that time, was, in so far as I can judge, an advantageous transaction for the people of the Province of Ontario. These bonds, bearing a coupon rate of $2\frac{1}{2}\%$ and amounting to \$15,000,000.00 mature on July 1st next and must be met and either paid off or refunded in the United States. To pay them off in American Funds would entail a cost in Foreign Exchange of 11%, amounting to \$1,650,000.00. It has been decided to refund the whole loan in New York, and I am gratified—and I am sure that the House will be gratified to know—that we have been able to refund this loan at an interest cost of slightly less than one-half of that of the existing loan made in 1942. The new loan, instead of bearing a coupon of $2\frac{1}{2}\%$ per annum, will carry a coupon of $1\frac{1}{4}\%$ per annum. The cost of the money is less than $1\frac{1}{2}\%$ per annum and the actual saving during the currency of the loan will be in excess

of \$225,000 per annum. This one transaction in itself, resulting as it does in an annual saving to the taxpayers of Ontario of over \$225,000, marks a new achievement in government financing by this Province. It indicates the high credit standing of the Province and I hope that the House will agree that some credit is due the Government of the Province for the very advantageous results of refunding a loan of \$15,000,000.00 during these unsettled times.

REPORT FOR THE YEAR 1944-1945

I should now like to report to the House on the business for the year terminating on March 31st. The same will be based on ten months' actual business and two months' forecast. In so doing I should like to refer to the Public Accounts of this Province which have been published and are now in the hands of the Members. These Accounts were not available at as early a date as I should have liked owing to the difficulties of printing the same under wartime conditions. As I stated last year, there are many improvements concerning the presentation of the Public Accounts which are in my opinion desirable. Such improvements at the present time are impossible due to shortage of equipment and skilled help. It is therefore not feasible at the moment to undertake a radical change in our accounting system.

THE PROVINCE OF ONTARIO SAVINGS OFFICES

The Province of Ontario Savings Offices must not be confused with banks. The Province has no constitutional authority to engage in banking as such. The offices are merely savings offices. The Province is conducting at the present time twenty-three branches in which is deposited, as of December 31st, 1944, in excess of \$38,000,000. The deposits show an increase of almost \$4,000,000 for the year ending that date. Again the Province of Ontario in its desire to assist in the prosecution of the war has encouraged the depositors in Savings Offices to invest in Victory Bonds, with the result that depositors from their savings have purchased in excess of six and three-quarter million dollars in the purchase of this great security. Despite this the deposits are steadily increasing and it is confidently expected will be much higher during the year 1945.

HIGHWAYS

The expenditures of the Department of Highways have, as indicated in last year's budget, been restricted due to wartime conditions. The Department has followed the wise policy of avoiding expensive extensions and instead has concentrated on the type of work which would assist the greatest number of our people. The agricultural communities have benefited greatly by the avoidance of heavy expenditures on King's highways and the payment to our rural municipalities of larger amounts for county and township roads. The scarcity of gravel in Southern Ontario is becoming a serious question. In order to conserve gravel and save the surfaces of existing roads approximately 200 miles of main gravel roads were surfaced with light bituminous pavement. This work has proven a very great success. Plans are being prepared to the end that very great extensions of highways may be built without excessive expenditures.

This year has been exceptionally difficult because of heavy snow fall and high winds. The facilities of our snow-fighting equipment have been taxed to

the limit. Until this winter it has been almost impossible to obtain permission for the purchase of new equipment. Owing to the fact, however, that our existing equipment has been conserved to the limit and, with some priorities, the Department has been able to do an excellent job.

AGRICULTURAL LOANS

The liquidation of loans granted under the agricultural development and now administered by the Commissioner of Agricultural Loans is proceeding on a satisfactory basis. Many mortgagors have been paying off their loans before maturity.

The number of current loans as of December 31st, 1943, numbered 13,553, representing a total indebtedness, including principal, interest and sundries, of \$30,663,679.98. As of December 31st, 1944, current loans numbered 12,586, with a total indebtedness amounting to \$27,117,502.76. Throughout the year ending December 31st, 1944, a total of 967 loans have been paid off with total repayments on all loans amounting to \$3,546,177.22.

As of December 31st, 1943, the number of properties repossessed and held by the Board numbered 83, representing \$213,349.27. This number has been reduced and as of December 31st, 1944, the number was 46, representing \$119,709.79, indicating a reduction of 37 properties amounting to over \$93,000.

It would interest the House to know that a year ago 42 applications had been heard under the provisions of the Farm Loans Adjustment Act. The total number of applications since the inception of the Act to December 31st, 1944, numbered 321, and the reductions granted by the courts for principal, interest and sundries amounted to \$181,685.46 as of that date.

In cases where farmers are labouring under an impossible burden of debt they are encouraged to avail themselves of the provisions of this Act in order that such loans may be rearranged on a satisfactory basis.

ORDINARY EXPENDITURE

With the permission of the House, I desire to table the statement of the Gross and Net Ordinary Expenditure for the fiscal year April 1st, 1944, to March 31st, 1945, consisting of ten months' actual payments and two months' forecast, the total Net Expenditure being \$115,909,400.00.

INTERIM STATEMENT OF ORDINARY EXPENDITURE

FISCAL YEAR APRIL 1, 1944—MARCH 31, 1945

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 5,965,800.00	\$	\$ 5,965,800.00
ATTORNEY-GENERAL.....	3,347,000.00	197,600.00	3,149,400.00
EDUCATION.....	15,743,500.00	.....	15,743,500.00
GAME AND FISHERIES.....	656,400.00	.....	656,400.00
HEALTH.....	11,612,600.00	17,200.00	11,595,400.00
HIGHWAYS.....	16,038,800.00	.....	16,038,800.00
INSURANCE.....	60,100.00	.....	60,100.00
LABOUR.....	434,600.00	4,900.00	429,700.00
LANDS AND FORESTS.....	3,188,000.00	.....	3,188,000.00
LEGISLATION.....	271,800.00	.....	271,800.00
LIEUTENANT-GOVERNOR.....	10,200.00	.....	10,200.00
MINES.....	482,000.00	5,600.00	477,000.00
MUNICIPAL AFFAIRS.....	6,435,700.00	.....	6,435,700.00
PLANNING AND DEVELOPMENT.....	91,300.00	.....	91,300.00
PRIME MINISTER.....	129,000.00	.....	129,000.00
PROVINCIAL AUDITOR.....	121,000.00	.....	121,000.00
PROVINCIAL SECRETARY.....	2,486,200.00	701,600.00	1,784,600.00
PROVINCIAL TREASURER.....	1,583,000.00	310,400.00	1,272,600.00
PUBLIC WELFARE.....	12,774,200.00	.....	12,774,200.00
PUBLIC WORKS.....	929,400.00	3,000.00	926,400.00
MISCELLANEOUS.....	5,900.00	.....	5,900.00
	<hr/>	<hr/>	<hr/>
PUBLIC DEBT—Interest, etc.....	\$ 82,366,500.00	\$1,239,700.00	\$ 81,126,800.00
Foreign Exchange.....	26,281,500.00	6,693,800.00	19,587,700.00
Sinking Fund Instalments and Railway Aid Certificates.....	1,953,400.00	878,000.00	1,075,400.00
	5,311,500.00	.....	5,311,500.00
	<hr/>	<hr/>	<hr/>
	\$ 33,546,400.00	\$7,571,800.00	\$ 25,974,600.00
	<hr/>	<hr/>	<hr/>
Advance payment of an amount equal to ap- proximately thirty-four per cent of the estimated 1945 General Legislative School Grants.....	8,808,000.00	.....	8,808,000.00
	<hr/>	<hr/>	<hr/>
TOTAL.....	<u>\$124,720,900.00</u>	<u>\$8,811,500.00</u>	<u>\$115,909,400.00</u>

ORDINARY REVENUE

With the permission of the House, I table the statement of the Gross and Net Ordinary Revenue for the fiscal year April 1st, 1944, to March 31st, 1945, consisting of ten months' actual receipts and two months' estimated receipts, the total Net Revenue amounting to \$116,023,800.00.

INTERIM STATEMENT OF ORDINARY REVENUE

FISCAL YEAR APRIL 1, 1944—MARCH 31, 1945

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 361,900.00	\$	\$ 361,900.00
ATTORNEY-GENERAL.....	971,700.00	197,600.00	774,100.00
EDUCATION.....	103,000.00	.....	103,000.00
GAME AND FISHERIES.....	1,150,400.00	.....	1,150,400.00
HEALTH.....	1,777,000.00	17,200.00	1,759,800.00
HIGHWAYS:			
Main Office and Branches.....	30,000.00	.....	30,000.00
Gasoline Tax Branch.....	26,608,300.00	.....	26,608,300.00
Miscellaneous Permits Branch.....	97,200.00	.....	97,200.00
Motor Vehicles Branch.....	9,100,000.00	.....	9,100,000.00
	<u>\$ 35,835,500.00</u>		<u>\$ 35,835,500.00</u>
INSURANCE.....	\$ 218,300.00	.....	\$ 218,300.00
LABOUR.....	98,700.00	4,900.00	93,800.00
LANDS AND FORESTS.....	5,162,200.00	.....	5,162,200.00
LEGISLATION.....	10,600.00	.....	10,600.00
MINES.....	2,570,900.00	5,000.00	2,565,900.00
MUNICIPAL AFFAIRS.....	26,700.00	.....	26,700.00
PROVINCIAL SECRETARY.....	1,688,300.00	701,600.00	986,700.00
PROVINCIAL TREASURER:			
Main Office—Subsidy.....	3,155,000.00	.....	3,155,000.00
Interest.....	71,200.00	.....	71,200.00
Miscellaneous.....	21,800.00	.....	21,800.00
Liquor Control Board.....	18,712,600.00	.....	18,712,600.00
Controller of Revenue Branch:			
Succession Duty.....	12,007,300.00	.....	12,007,300.00
Corporations Tax Subvention.....	21,612,600.00	.....	21,612,600.00
Income Tax Subvention.....	6,712,600.00	.....	6,712,600.00
Corporations Tax.....	216,600.00	.....	216,600.00
Income Tax.....	237,100.00	.....	237,100.00
Race Tracks.....	2,234,500.00	.....	2,234,500.00
Security Transfer Tax.....	593,400.00	.....	593,400.00
Land Transfer Tax.....	642,600.00	.....	642,600.00
Law Stamps.....	448,400.00	.....	448,400.00
Motion Picture Censorship and Theatre			
Inspection Branch.....	191,000.00	.....	191,000.00
King's Printer—Ontario Gazette.....	15,100.00	.....	15,100.00
Province of Ontario Savings Office.....	310,400.00	310,400.00	.....
	<u>\$ 67,182,200.00</u>	<u>\$ 310,400.00</u>	<u>\$ 66,871,800.00</u>
PUBLIC WELFARE.....	\$ 700.00	\$	\$ 700.00
PUBLIC WORKS.....	105,400.00	3,000.00	102,400.00
	<u>\$117,263,500.00</u>	<u>\$1,239,700.00</u>	<u>\$116,023,800.00</u>
PUBLIC DEBT—Interest, etc.....	6,693,800.00	6,693,800.00	.....
Foreign Exchange.....	878,000.00	878,000.00	.....
TOTAL.....	<u>\$124,835,300.00</u>	<u>\$8,811,500.00</u>	<u>\$116,023,800.00</u>

SUMMARY

With the permission of the House, I table a Summary of the statements of Ordinary Expenditures and Revenues which, by reason of a careful administration of our revenues, shows that after providing for Sinking Fund requirements, I am able to report an Interim Surplus of \$8,922,400. This magnificent surplus makes it possible to give to our taxpayers from this year's revenues a large amount in direct municipal tax reduction. I propose to submit to the House Supplementary Estimates authorizing the advance payment to the School Boards of Ontario of an amount equal to approximately thirty-four per cent of the 1945 general legislative grants. This sum, which amounts to \$8,808,000, will be paid to the School Boards immediately the Supplementary Estimates are approved. This disbursement from the surplus for the year will leave an undistributed balance after the advance payment to the School Boards of \$114,400.

I am sure that the House will readily authorize the distribution of the surplus to the School Boards. By paying the sum of \$8,808,000 in advance we set a precedent and by this we hope to give an added benefit to the municipalities in saving them from the difficulties and expense of extra financing involving the payment of large sums of interest in anticipation of taxes which they are to receive in the Autumn. Every municipality in Ontario will save large amounts in interest alone.

The Summary above referred to follows:—

SUMMARY

ORDINARY REVENUE AND ORDINARY EXPENDITURE

FISCAL YEAR APRIL 1, 1944—MARCH 31, 1945

10 Months Actual—2 Months Forecast—12 Months

Net Ordinary Revenue.....	\$116,023,800.00
Less: Net Ordinary Expenditure (before providing for Sinking Funds, Maturing Railway Aid Certificates and Advance Payment of School Grants).....	101,789,900.00
Surplus (before providing for Sinking Funds, Maturing Railway Aid Certificates and Advance Payment of School Grants).....	\$ 14,233,900.00
Less: Provision for Sinking Funds and Maturing Railway Aid Certificates.....	5,311,500.00
Surplus (before providing for Advance Payment of School Grants).....	\$ 8,922,400.00
Less: Advance payment of an amount equal to approximately thirty-four per cent of the estimated 1945 General Legislative School Grants....	8,808,000.00
Balance of Surplus after providing for Advance Payment of an amount equal to approximately thirty-four per cent of the estimated 1945 General Legislative School Grants.....	\$ 114,400.00

CAPITAL RECEIPTS

With the permission of the House, I desire to table an interim statement of the Gross and Net Capital Receipts for the fiscal year April 1st, 1944, to March 31st, 1945, being ten months' actual and two months' forecast. The total capital receipts are \$34,869,800 gross.

INTERIM STATEMENT OF CAPITAL RECEIPTS

FISCAL YEAR APRIL 1, 1944—MARCH 31, 1945

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Payments	Net Capital Receipts
AGRICULTURE.....	\$ 4,600.00	\$	\$ 4,600.00
HEALTH.....	26,000.00	.....	26,000.00
HIGHWAYS.....	36,400.00	.....	36,400.00
LABOUR.....	343,000.00	.....	343,000.00
LANDS AND FORESTS.....	150,000.00	.....	150,000.00
MINES.....	45,000.00	.....	45,000.00
MUNICIPAL AFFAIRS.....	95,400.00	.....	95,400.00
PRIME MINISTER.....	1,425,000.00	.....	1,425,000.00
PROVINCIAL TREASURER.....	19,976,800.00	.....	19,976,800.00
PUBLIC WELFARE.....	12,766,000.00	12,766,000.00	.....
PUBLIC WORKS.....	1,600.00	.....	1,600.00
	<u>\$34,869,800.00</u>	<u>\$12,766,000.00</u>	<u>\$22,103,800.00</u>

And, Mr. Speaker, with the permission of the House, I desire to table a statement of Gross and Net Capital Payments for the fiscal year April 1st, 1944 to March 31st, 1945, being ten months' actual and two months' forecast, the total payments being \$20,098,600 gross.

INTERIM STATEMENT OF CAPITAL PAYMENTS

FISCAL YEAR APRIL 1, 1944—MARCH 31, 1945

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Gross Capital Payments	Application of Receipts to Payments	Net Capital Payments
AGRICULTURE.....	\$ 249,000.00	\$	\$ 249,000.00
HIGHWAYS.....	3,910,400.00	.....	3,910,400.00
PRIME MINISTER.....	925,000.00	.....	925,000.00
PROVINCIAL TREASURER.....	1,892,400.00	.....	1,892,400.00
PUBLIC WELFARE.....	12,766,000.00	12,766,000.00	.....
PUBLIC WORKS.....	355,800.00	.....	355,800.00
	<u>\$20,098,600.00</u>	<u>\$12,766,000.00</u>	<u>\$ 7,332,600.00</u>

With the permission of the House, I now table statements showing the Gross Debt, the Indirect Debt and the Net Debt of the Province.

The House will be glad to know that the Gross Debt will show a decrease for the year ending March 31st, 1945, of \$18,420,350.72, while the Net Debt will show an estimated decrease of \$1,080,878.29.

PROVINCE OF ONTARIO

DETAIL SUMMARY ACCOUNTING FOR ESTIMATED DECREASE IN GROSS DEBT

For the Fiscal Year to end on March 31st, 1945

Gross Debt as at March 31st, 1944.....	\$666,527,963.39
Estimated Gross Debt as at March 31st, 1945.....	648,107,612.67
ESTIMATED DECREASE for the fiscal year to end on March 31st, 1945.....	<u>\$ 18,420,350.72</u>

GROSS DEBT DECREASED BY:

Surplus—

Surplus on Ordinary Account.....	\$ 114,400.00	
Retirement of Railway Aid Certificates.....	19,478.29	
Sinking Fund Provision.....	5,292,000.00	
	<u>\$ 5,425,878.29</u>	
Discount on Debentures, etc., written off.....	994,700.00	
Earnings on Sinking Fund Investments.....	16,000.00	
Loan Repayments—		
Hydro-Electric Power Commission of		
Ontario.....	\$9,675,200.00	
Agricultural Development Board.....	3,409,100.00	
Loans to Municipalities, etc. (Net)....	197,700.00	
	<u>13,282,000.00</u>	
Decrease in Cash in Banks.....	4,003,172.43	
Decrease in Income Liabilities.....	70,000.00	
Increase in Reserves (Net).....	2,700.00	
	<u>\$ 23,794,450.72</u>	

GROSS DEBT INCREASED BY:

Capital Disbursements—

Highways, Public Buildings, Public Works, etc.....	\$ 5,266,200.00	
Less Capital Receipts.....	233,000.00	
	<u>\$ 5,033,200.00</u>	
Payment re Guaranteed Debentures (Net).....	91,400.00	
Discount on Debentures, etc., issued during year.....	30,000.00	
Co-operative Marketing Loans (Net Increase).....	219,500.00	
	<u>5,374,100.00</u>	

Estimated Decrease for the year to end on March 31st, 1945.....	<u>\$ 18,420,350.72</u>
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PROVINCE OF ONTARIO

CONTINGENT LIABILITIES, BONDS, ETC., GUARANTEED BY THE PROVINCE

Estimated as at March 31st, 1945

TOTAL as per Public Accounts, March 31st, 1944.....		\$123,455,838.43
ADD—New Guarantees or Increases for the fiscal year to end on March 31st, 1945—		
Park Commissions.....	\$ 3,000,000.00	
Power Commission.....	17,500,000.00	20,500,000.00
		<u>\$143,955,838.43</u>
LESS—Principal Maturities redeemed or to be redeemed during the fiscal year to end on March 31st, 1945—		
Co-operative Associations.....	\$ 3,500.00	
Municipalities.....	26,622.34	
Parks Commissions.....	3,126,600.00	
Power Commission.....	13,775,000.00	
Railways.....	136,000.00	
Schools.....	163,769.01	
Universities.....	113,816.50	17,345,307.85
		<u>\$126,610,530.58</u>
LESS—Sinking Fund Deposits for the fiscal year to end on March 31st, 1945..		23,400.00
Estimated Contingent Liability of the Province as at March 31st, 1945.....		<u><u>\$126,587,130.58</u></u>

SUMMARY

Estimated Contingent Liability of the Province as at March 31st, 1945.....	\$126,587,130.58
Contingent Liability of the Province as at March 31st, 1944.....	123,455,838.43
Estimated Increase.....	<u><u>\$ 3,131,292.15</u></u>

PROVINCE OF ONTARIO

ESTIMATED DECREASE IN THE NET DEBT

As at March 31st, 1945

As at March 31st, 1944:

Gross Debt.....	\$666,527,963.39
Less Revenue Producing and Realizable Assets.....	184,034,399.51
Net Debt.....	<u><u>\$482,493,563.88</u></u>

As at March 31st, 1945:

Estimated Gross Debt.....	\$648,107,612.67
Less Estimated Revenue Producing and Realizable Assets.....	166,694,927.08
Estimated Net Debt.....	<u><u>\$481,412,685.59</u></u>

Estimated Decrease in Net Debt.....	<u><u>\$ 1,080,878.29</u></u>
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WAYS AND MEANS 1945-1946

The problems inherent in the preparation of a provincial budget are, even in the most favourable of times, such as to tax the ingenuity and resourcefulness and discretion of those whose responsibility it is to plan the financial programme of a Province as large and important as is Ontario. Much more difficult is it in war time, especially in view of the restricted economy in which we function and the strict limitations arising from the conditions imposed by the Dominion-Provincial tax agreement.

I realize that the Members of this House are fully aware of conditions that affect the times in which we live and I have every confidence that I may count upon the wholesome goodwill and co-operation of all, in my endeavour to present a sound and workable financial programme for the fiscal year which begins April 1st, and part of which programme involves meeting the cost of education which for the war years, say from 1939 to 1944, represented the expenditure of sums ranging from twelve to fifteen million dollars annually. Provision for meeting the cost of education for the year April 1st, 1945, to March 31st, 1946, is being made in this Budget, requiring the expenditure of \$25,383,168.43. This large sum, I must emphasize, is in addition to an advance payment for which I propose to ask your sanction, and which will be paid to all school authorities immediately, so that this advance payment is in addition to the \$25,383,168.43 that I have already mentioned. Moreover, this advance payment of \$8,808,000 will be paid by this Government immediately it is authorized, and will be received by public and separate school authorities of this Province, each and every one of them, not later than the 31st day of this month of March, 1945.

I have already referred quite extensively to the matter of increased taxation. The Government has given full consideration to this problem and has decided that in view of the coming Dominion-Provincial conference that it is undesirable to add to a tax structure which we believe is faulty, and therefore it has been decided that no new taxation of any kind will be imposed. I am sure that the House will rejoice that not only will there be no increase in taxation but in fact great relief will be given to the real estate owners in Ontario by reason of a most drastic reduction in municipal taxation. The Government has also been conscious of its pledge that in order to assist the owning and improvement of homes and farm lands which are the very foundation of our society that at least fifty per cent of the school taxes charged against real estate should be assumed by the Province. It also remembers the pledge that was given that in every field of employment individual initiative would be encouraged and hard work rewarded by reducing taxes. We are confident that the people of Ontario will appreciate that the Government, after eighteen months in office, has been able to give effect to these pledges.

It is with pleasure that I am now enabled to place on the records the Budget Forecast of Ordinary Revenue, Ordinary Expenditure, Capital Receipts and Capital Payments for the fiscal year April 1st, 1945, to March 31st, 1946, and to forecast a balanced Budget.

BUDGET FORECAST OF ORDINARY REVENUE

FISCAL YEAR APRIL 1, 1945—MARCH 31, 1946

DEPARTMENT	Gross Ordinary Revenue	Application of Revenue to Expenditure	Net Ordinary Revenue
AGRICULTURE.....	\$ 157,056.00	\$	\$ 157,056.00
ATTORNEY-GENERAL.....	977,250.00	199,900.00	777,350.00
EDUCATION.....	55,000.00	.....	55,000.00
GAME AND FISHERIES.....	1,031,000.00	.....	1,031,000.00
HEALTH.....	1,659,850.00	15,200.00	1,644,650.00
HIGHWAYS:			
Main Office and Branches.....	10,000.00	.....	10,000.00
Gasoline Tax Branch.....	26,608,290.59	.....	26,608,290.59
Miscellaneous Permits Branch.....	50,000.00	.....	50,000.00
Motor Vehicles Branch.....	9,000,000.00	.....	9,000,000.00
	<u>\$ 35,668,290.59</u>		<u>\$ 35,668,290.59</u>
INSURANCE.....	\$ 202,000.00	.....	\$ 202,000.00
LABOUR.....	106,800.00	6,000.00	100,800.00
LANDS AND FORESTS.....	5,825,000.00	.....	5,825,000.00
LEGISLATION.....	9,700.00	.....	9,700.00
MINES.....	1,364,745.00	6,000.00	1,358,745.00
MUNICIPAL AFFAIRS.....	16,600.00	.....	16,600.00
PROVINCIAL SECRETARY.....	1,265,500.00	580,000.00	685,500.00
PROVINCIAL TREASURER:			
Main Office—Subsidy.....	3,155,007.48	.....	3,155,007.48
Interest.....	71,229.86	.....	71,229.86
Liquor Control Board.....	17,912,600.00	.....	17,912,600.00
Controller of Revenue Branch—			
Succession Duty.....	11,800,000.00	.....	11,800,000.00
Corporation Tax Subvention.....	20,960,450.85	.....	20,960,450.85
Income Tax Subvention.....	6,851,037.95	.....	6,851,037.95
Corporations Tax.....	1,000,000.00	.....	1,000,000.00
Income Tax.....	250,000.00	.....	250,000.00
Race Tracks.....	2,250,000.00	.....	2,250,000.00
Security Transfer Tax.....	750,000.00	.....	750,000.00
Land Transfer Tax.....	500,000.00	.....	500,000.00
Law Stamps.....	400,000.00	.....	400,000.00
Motion Picture Censorship and Theatre			
Inspection Branch.....	177,300.00	.....	177,300.00
King's Printer—Ontario Gazette.....	14,000.00	.....	14,000.00
Province of Ontario Savings Office.....	314,200.00	314,200.00	.....
	<u>\$ 66,405,826.14</u>	<u>\$ 314,200.00</u>	<u>\$ 66,091,626.14</u>
PUBLIC WORKS.....	\$ 48,000.00	\$ 3,000.00	\$ 45,000.00
MISCELLANEOUS.....	100,000.00	100,000.00	.....
	<u>\$114,892,617.73</u>	<u>\$1,224,300.00</u>	<u>\$113,668,317.73</u>
PUBLIC DEBT—Interest, etc.....	6,742,500.00	6,742,500.00	.....
Foreign Exchange.....	578,500.00	578,500.00	.....
TOTAL.....	<u>\$122,213,617.73</u>	<u>\$8,545,300.00</u>	<u>\$113,668,317.73</u>

BUDGET FORECAST OF ORDINARY EXPENDITURE

FISCAL YEAR APRIL 1, 1945—MARCH 31, 1946

DEPARTMENT	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Net Ordinary Expenditure
AGRICULTURE.....	\$ 6,116,182.75	\$	\$ 6,116,182.75
ATTORNEY-GENERAL.....	3,598,580.00	199,900.00	3,398,680.00
EDUCATION.....	25,383,168.43	.....	25,383,168.43
GAME AND FISHERIES.....	706,400.00	.....	706,400.00
HEALTH.....	12,344,190.00	15,200.00	12,328,990.00
HIGHWAYS.....	14,050,000.00	.....	14,050,000.00
INSURANCE.....	68,400.00	.....	68,400.00
LABOUR.....	538,581.55	6,000.00	532,581.55
LANDS AND FORESTS.....	3,800,000.00	.....	3,800,000.00
LEGISLATION.....	273,575.00	.....	273,575.00
LIEUTENANT-GOVERNOR.....	10,200.00	.....	10,200.00
MINES.....	516,000.00	6,000.00	510,000.00
MUNICIPAL AFFAIRS.....	3,316,072.00	.....	3,316,072.00
PLANNING AND DEVELOPMENT.....	100,000.00	.....	100,000.00
PRIME MINISTER.....	270,995.00	.....	270,995.00
PROVINCIAL AUDITOR.....	126,000.00	.....	126,000.00
PROVINCIAL SECRETARY.....	2,449,540.00	580,000.00	1,869,540.00
PROVINCIAL TREASURER.....	1,649,575.00	314,200.00	1,335,375.00
PUBLIC WELFARE.....	12,660,630.00	.....	12,660,630.00
PUBLIC WORKS.....	960,000.00	3,000.00	957,000.00
MISCELLANEOUS.....	100,000.00	100,000.00	.....
	\$ 89,038,089.73	\$1,224,300.00	\$ 87,813,789.73
PUBLIC DEBT—Interest, etc.....	26,087,900.00	6,742,500.00	19,345,400.00
Foreign Exchange.....	1,648,000.00	578,500.00	1,069,500.00
Sinking Fund Instalments and Railway Aid Certificates.....	5,370,300.00	.....	5,370,300.00
	\$ 33,106,200.00	\$7,321,000.00	\$ 25,785,200.00
TOTAL.....	\$122,144,289.73	\$8,545,300.00	\$113,598,989.73

BUDGET FORECAST OF CAPITAL RECEIPTS

FISCAL YEAR APRIL 1, 1945—MARCH 31, 1946

DEPARTMENT	Gross Capital Receipts	Application of Receipts to Payments	Net Capital Receipts
AGRICULTURE.....	\$ 2,500.00	\$	\$ 2,500.00
HIGHWAYS.....	5,000.00	.....	5,000.00
LABOUR.....	840,000.00	.....	840,000.00
LANDS AND FORESTS.....	175,000.00	.....	175,000.00
MINES.....	40,000.00	.....	40,000.00
PRIME MINISTER.....	1,454,000.00	.....	1,454,000.00
PROVINCIAL TREASURER.....	12,022,300.00	.....	12,022,300.00
PUBLIC WELFARE.....	13,036,000.00	13,036,000.00	.....
	\$27,574,800.00	\$13,036,000.00	\$14,538,800.00

BUDGET FORECAST OF CAPITAL PAYMENTS

FISCAL YEAR APRIL 1, 1945—MARCH 31, 1946

DEPARTMENT	Gross Capital Payments	Application of Receipts to Payments	Net Capital Payments
AGRICULTURE.....	\$ 250,000.00	.....	\$ 250,000.00
GAME AND FISHERIES.....	45,000.00	.....	45,000.00
HIGHWAYS.....	4,050,000.00	.....	4,050,000.00
LABOUR.....	840,000.00	.....	840,000.00
PRIME MINISTER.....	925,000.00	.....	925,000.00
PROVINCIAL TREASURER.....	3,083,500.00	.....	3,083,500.00
PUBLIC WELFARE.....	13,036,000.00	13,036,000.00	.....
PUBLIC WORKS.....	431,500.00	.....	431,500.00
	<u>\$22,661,000.00</u>	<u>\$13,036,000.00</u>	<u>\$ 9,625,000.00</u>

Mr. Speaker, I now table, with permission of the House, a Summary showing Estimated Ordinary Net Revenue \$113,668,317.73, which less Ordinary Expenditures and after making full provision for Sinking Fund requirements and railway aid certificates, results in a surplus of \$69,328.

SUMMARY

BUDGET FORECAST

Fiscal Year April 1, 1945—March 31, 1946

Net Ordinary Revenue.....		\$113,668,317.73
Less: Net Ordinary Expenditure (before providing for Sinking Funds and Maturing Railway Aid Certificates).....		108,228,689.73
Surplus (before providing for Sinking Funds and Railway Aid Certificates)....	\$	5,439,628.00
Less: Provision for Sinking Funds.....	\$5,352,000.00	
Railway Aid Certificates.....	18,300.00	5,370,300.00
Surplus Forecast.....		<u>\$ 69,328.00</u>

At this time I should like to say that in achieving the results just outlined and which I know will be received with deepest satisfaction by every Member of this House that we are not in any way stinting the undertakings of this Province either in administrative, social or developmental services.

AGRICULTURE

The estimated expenditures for the current year are \$5,965,800. The estimated expenditures for the coming year for this Department are \$6,116,182.75. In order to assist our farmers to maintain the production of food which is so necessary in our war effort provision is being made to carry on the present subsidies for the coming year.

GAME AND FISHERIES

For years it has been contended with great merit that this very important revenue producing Department has not received sufficient to carry on adequately its preventative and conservation services. The Government has recognized that this is an error and that the depletion of our great game and fisheries assets

is poor economy indeed. This year an increase of approximately \$100,000 is being allotted to the Department to enable it to extend its work. The sum being appropriated represents an increase of approximately \$170,000 over the amount expended in the year 1943.

HEALTH AND WELFARE

More than \$600,000 is being appropriated for these Departments in excess of their actual expenditures for the year just closing. The high standard of service of the Department of Health has been maintained in spite of 689 enlistments in the Armed Forces, including 90 doctors and 82 nurses from the Department's staff. Shortage of medical personnel throughout the Province is necessarily rendering the work of this Department more difficult.

In the Department of Welfare, Mothers' Allowances have been increased, and although the number of beneficiaries has been reduced, the allowances have been increased through the year by \$273,618. Food allowances for relief recipients have been increased by inaugurating a nutritional measurement and discarding the old Campbell report scale. Nine new Day Nurseries and fifteen Day Care centres have been approved of during the year.

The expenditures for these two Departments in 1943, excluding relief, amounted to \$18,738,004.28, while the expenditures for the year ending March 31st, 1946, also excluding relief, total no less than \$24,162,440.00.

DEPARTMENT OF LABOUR

The Estimates for the coming year are increased by \$93,350, which is the largest increase in the history of the Province. This increase is necessary because of additional staff required for Hours of Work and Vacations with Pay Act and the requirements assuring higher standards of safety, health and welfare for industrial workers. The Department is also extending its work with relation to full time vocational training for registered apprentices. In 1943 the expenditures, not including Youth Training, amounted to \$306,322.03. The appropriation for the coming year amounts to \$538,581.55.

MINES

This Department is also a revenue producing Department for which plans for greatly extended services have been made. Additional appropriations are being made to enable the Department to extend its services despite the shortage of manpower. The expenditures in 1943 were \$320,036.64. The appropriation for the coming year is \$516,000.00.

LANDS AND FORESTS

The foundations upon which the betterment of the forestry of Ontario will be laid must be made during the war years. Funds are therefore provided for certain basic things which must be done now. Research work in soils, forest management and land studies will be carried on. Large scale experiment in the use of the powerful insecticide D.D.T. will be carried out in the Nipigon region to combat the bud-worm ravages. Funds are being provided for the new Ranger School and the laboratory at Sault Ste. Marie for the study of forest protection from insect enemies. Expenditures of this Department for the year just closing are \$3,188,000. The appropriation is being increased to \$3,800,000.

THE HYDRO-ELECTRIC POWER COMMISSION

During the present fiscal year the Hydro-Electric Power Commission has resumed construction of rural lines on an extensive scale. 433 miles of primary lines have been constructed with the addition of about 10,000 rural customers. At the end of 1944 the Commission was serving about 146,000 rural customers, including about 61,700 individual farms. The primary distribution lines aggregate more than 21,000 miles. For the year 1944-1945 the Commission is planning to extend its service to some 12,000 additional customers, chiefly by the construction of short extensions to existing lines. The Province plans to pay in grants in aid of such work covering one-half of the capital cost the sum of \$1,000,000. In its postwar plans the Commission is contemplating the early extension of the blessings of Hydro to the great majority of our rural people.

MUNICIPAL AFFAIRS

I am glad to tell the House that provisions have been made in the Estimates of this Department for the payment of the one mill subsidy to every municipality in Ontario, in addition to the educational grants which have already been outlined. This involves an expenditure of \$3,075,000.00. Furthermore the Department is making provision this year to pay a subsidy to certain mining municipalities which is in the opinion of the Minister have suffered loss of revenue by reason of increased Dominion taxation of mines.

EDUCATION

As has been stated, the Government feels that the lot of our teachers should be bettered. Last year the Province raised its contribution to the Teachers' and Inspectors' Superannuation Fund by paying dollar for dollar with the teachers. The contribution by each of the teachers and the Government is $3\frac{1}{2}$ per cent. The Government now proposes that the contribution of each shall be 4 per cent. This, however, will enable the following benefits to be extended to our teachers,—

1. The minimum pension may be increased from \$365 to \$500.
2. The years of teaching required for full pension shall be reduced from forty to thirty-six.
3. The maximum pension may be increased from \$1,250 to \$1,500.
4. Pensions may be permitted up to 60 per cent of average salary instead of 50 per cent to which it was reduced a few years ago.
5. Provision may be made for a portion of the pension of a deceased teacher to his widow.

SUMMARY

I shall now summarize some of the salient features of this Budget,—

1. For the fiscal year just ending we have achieved a surplus of \$8,922,400, which permits the immediate payment in advance to the School Boards of Ontario of an amount of \$8,808,000.00, leaving a net surplus of \$114,400.00.
2. We will decrease the Gross Debt of the Province for the year just ended by \$18,420,350.72.

3. We will decrease the Net Debt of the Province for the year just ending by \$1,080,878.29.
4. We adhere to a strictly pay-as-you-go policy and are budgeting for a moderate wartime surplus.
5. We have fully implemented the pledge concerning 50 per cent. of the cost of education.
6. We have provided for the extension of administrative, developmental and social services.
7. Provision is made for the payment of one mill on the general assessment to every municipality in Ontario.
8. Provision is made to subsidize the Northern mining municipalities.
9. The Teachers' Superannuation Fund has now been placed on a sound financial basis and adequate retiring allowance assured.
10. We are budgeting to reduce the Gross Debt of the Province and also to reduce the Net Debt in the coming fiscal year.
11. Last year I stated: "I am sure that the taxpayers of Ontario will rejoice to hear of reduced debt, reduced interest, enlarged benefits, relief from real estate taxation and a balanced budget." This has been translated from a promise to a performance.
12. We have taken constructive action on postwar planning and, by conserving our credit, imposing no new taxes, adding no new debt and balancing the Budget up to March 31st, 1946, we have left the way clear for a Dominion-Provincial conference.

Let us pause and contemplate our position. We are a Confederation. All of the nine provinces have their own traditions, their own peculiar problems and their own provincial aspirations. These are regarded jealously by them. In at least six of the provinces their characteristics far antedate the Confederation of 1867. Ontario had her beginnings nearly a century and three-quarters ago. Settlement began in the 1780's with the arrival of those from the American States who preferred above all else to live under the British flag. They were joined with the migration of the first half of the last century. Upper Canada, at the time of Confederation, had an accumulation of wealth and traditions going back over three-quarters of a century and covering the many troubled days. During these years through the striving of her people she had prospered and developed. In 1867 Ontario was one of the great foundations of Confederation. Her part in the Dominion of Canada has been great. Her sons and daughters went to people the Western plains. Much of the public life of the West had its beginnings on the farms of old Ontario. Her wealth throughout the years has contributed mightily to the common cause. Her taxpayers contribute about one-half of all Dominion taxation in peace and in war.

While Ontario reserves the rights and privileges, including administrative, human and developmental powers assured to her at Confederation, while she expects the economic freedom to enable her to function within her sphere, she accepts fully her duty to Canada. She approaches the Conference in the spirit of our fathers which broods over this ancient Assembly, in the spirit of Macdonald and Brown who, with Cartier, Tilley and Tupper, made possible the Dominion of Canada. So will Ontario strive for a settlement as reasonable as common sense itself. True will she be to her history and her motto—"As loyal she began so shall she ever remain."

SUB-INDEX

SUBJECT

PAGE

1—Balance Sheets—as at March 31st, 1944:	
Province of Ontario Savings Office	31
2—Analysis of Budgeted Gross Revenue—Fiscal Year 1945-46	32
3—Surpluses and Deficits, 1867 to 1945	33
4—Gross and Net Debt, 1914 to 1944	34, 35
5—Provincial Debt, showing Investment thereof	36
6—Gross Provincial Debt—showing Decrease for Fiscal Year ended March 31st, 1944 . .	37
7—Net Provincial Debt—showing Decrease for Fiscal Year ended March 31st, 1944	38

STATEMENT No. 1

THE PROVINCE OF ONTARIO SAVINGS OFFICE

Balance Sheet as at March 31st, 1944

ASSETS

Cash: On hand.....	\$584,024.60	
In banks	473,583.27	
	<u> </u>	\$ 1,057,607.87
Deposited with the Provincial Treasurer		37,200,153.19
Miscellaneous Accounts Receivable		1,814.11
Furniture and Fixtures—Cost.....	\$ 127,878.95	
Less: Reserve for Depreciation.....	99,932.76	
	<u> </u>	27,946.19
Alterations to Premises—Cost.....	\$ 23,665.16	
Less: Written off.....	9,028.60	
	<u> </u>	14,636.56
		<u><u>\$38,302,157.92</u></u>

LIABILITIES

Depositors' Funds—		
Current.....	\$37,974,876.50	
Unclaimed.....	33,998.32	
	<u> </u>	\$38,008,874.82
Surplus		293,283.10
		<u><u>\$38,302,157.92</u></u>

STATEMENT No. 2

Analysis of Budgeted Gross Revenue

Fiscal Year 1945-46

DOMINION GOVERNMENT:

Annual Subsidy.....	\$3,155,007.48		
Interest—Common School Fund.....	71,229.86		
Corporation Tax.....	20,960,450.85		
Income Tax.....	6,851,037.95		
		31,037,726.14	25.396%

TAXATION:

Gasoline Tax.....	\$26,608,290.59		
Corporation Tax.....	1,000,000.00		
Income Tax.....	250,000.00		
Race Tracks.....	2,250,000.00		
Succession Duty.....	11,800,000.00		
Mining Tax.....	1,140,000.00		
Fire Marshal's Tax.....	63,500.00		
Provincial Land Tax.....	151,400.00		
Security Transfer Tax.....	750,000.00		
		44,013,190.59	36.013%

ROYALTIES, DUTIES AND DUES:

Bonus and Timber.....	\$ 4,875,000.00		
Game and Fisheries.....	147,000.00		
Sand and Gravel.....	44,000.00		
		5,066,000.00	4.145%

LICENSES AND PERMITS:

Motor Vehicles.....	\$ 9,000,000.00		
Game and Fisheries.....	837,850.00		
Liquor Permits.....	1,000,000.00		
Garage, Gas Pumps, etc.....	50,000.00		
Marriage.....	90,000.00		
Theatres, etc.....	78,000.00		
Miners.....	30,000.00		
Insurance Act.....	186,700.00		
Loan and Trust Corporations Act.....	9,935.00		
Other Licenses and Permits.....	14,820.00		
		11,297,305.00	9.244%

FEES:

Law Stamps.....	\$ 400,000.00		
Letters Patent and Supplementary Letters Patent.....	93,000.00		
Companies Act (Incorporation Returns and Registrar's Fees).....	21,000.00		
Legislation (Private Bills).....	3,000.00		
Court and Legal (Police Magistrates, Local Masters, Local and Surrogate Registrars, Crown Attorneys, Sheriffs, Division Court Clerks, Bailiffs and Witnesses).....	340,000.00		
Registry Office and Land Transfer.....	500,000.00		
Brokers and Salesmen, Real Estate Brokers and Salesmen.....	78,000.00		
Censorship.....	99,000.00		
Vital Statistics (Certificates, Searches, etc.).....	105,000.00		
Mines and Mining (including Fees of Operators).....	80,000.00		
Public Health (Laboratories and Nurses' Registration, T.B. Preventive X Ray Service, Industrial Hygiene X Ray Service).....	109,000.00		
Tuition Fees (Agricultural Schools and Colleges and Training Schools).....	3,550.00		
Apprenticeship Board, Boiler Inspection, Operating Engineers and Composite Inspection Branch.....	89,950.00		
Other Fees.....	69,955.00		
		1,991,455.00	1.629%

FINES AND PENALTIES:

Police Magistrates.....	\$ 175,000.00		
Other.....	19,500.00		
		194,500.00	.160%

PROFITS FROM TRADING ACTIVITIES:

Liquor Control Board (Profits, Fines, Licenses, etc.).....		16,912,600.00	13.839%
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AGRICULTURE AND PUBLIC DOMAIN:

Rentals—Crown Leases and Licenses of Occupation.....	\$ 680,000.00		
Rentals—Parks and Beaches, etc.....	41,750.00		
Rentals—Mining Leases and Licenses of Occupation.....	28,000.00		
		749,750.00	.613%

REPAYMENTS:

Sulphur Fumes Arbitrator.....	\$ 6,000.00		
Savings Offices.....	314,200.00		
Public Trustee.....	130,600.00		
Official Guardian.....	44,700.00		
Accountant—Supreme Court of Ontario.....	24,600.00		
Long Lac Diversion.....	20,850.00		
		540,950.00	.443%

SALES OF MATERIAL:

Produce, Live Stock, Equipment.....		1,196,633.00	.979%
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RENT BOARD, MAINTENANCE OF PATIENTS, ETC.

		1,615,443.00	1.322%
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MISCELLANEOUS:

		277,065.00	.227%
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INTEREST—Public Debt, etc.

		7,321,000.00	5.990%
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\$122,213,617.73 100.00%

STATEMENT No. 3

STATEMENT SHOWING SURPLUS OR DEFICIT

For the Period from July 1st, 1867 to March 31st, 1945

	Ordinary Revenue *	Ordinary Expenditure *	Surplus	Deficit
July 1st, 1867 to December 31st, 1867.....	\$ 182,899.63	\$ 56,669.97	\$ 126,229.66	
Fiscal Year ended December 31st, 1868.....	2,250,207.74	1,179,269.17	1,070,938.57	
" " " " " " 1869.....	2,625,179.29	1,445,751.73	1,179,427.56	
" " " " " " 1870.....	2,500,695.70	1,578,976.65	921,719.05	
" " " " " " 1871.....	2,333,179.62	1,816,784.11	516,395.51	
" " " " " " 1872.....	3,060,747.97	2,217,555.07	843,192.90	
" " " " " " 1873.....	2,961,515.31	2,940,803.45	20,711.86	
" " " " " " 1874.....	3,446,347.93	3,870,704.14		\$ 424,356.21
" " " " " " 1875.....	3,156,605.81	3,604,524.42		447,918.61
" " " " " " 1876.....	2,589,222.83	3,139,505.66		550,282.83
" " " " " " 1877.....	2,502,566.04	3,119,117.73		616,551.69
" " " " " " 1878.....	2,285,178.07	2,902,388.37		617,210.30
" " " " " " 1879.....	2,287,951.39	2,941,714.27		653,762.88
" " " " " " 1880.....	2,584,169.76	2,518,186.80	65,982.96	
" " " " " " 1881.....	2,788,746.78	2,579,802.28	208,944.50	
" " " " " " 1882.....	2,880,450.40	2,918,826.95		38,376.55
" " " " " " 1883.....	2,439,941.42	2,887,037.73		447,096.31
" " " " " " 1884.....	2,820,555.45	3,207,889.67		387,334.22
" " " " " " 1885.....	3,005,920.71	3,040,139.07		34,218.36
" " " " " " 1886.....	3,148,660.01	3,181,449.69		32,789.68
" " " " " " 1887.....	3,527,577.95	3,454,372.43	73,205.52	
" " " " " " 1888.....	3,603,262.14	3,545,234.85	58,027.29	
" " " " " " 1889.....	3,538,405.08	3,653,356.37		114,951.29
" " " " " " 1890.....	3,423,154.99	3,896,324.38		473,169.39
" " " " " " 1891.....	4,138,589.09	4,158,459.55		19,870.46
" " " " " " 1892.....	4,662,921.57	4,068,257.39	594,664.18	
" " " " " " 1893.....	4,091,914.01	3,907,145.32	184,768.69	
" " " " " " 1894.....	3,453,162.69	3,839,338.75		386,176.06
" " " " " " 1895.....	3,585,300.10	3,758,595.44		173,295.34
" " " " " " 1896.....	3,490,671.45	3,703,379.73		212,708.28
" " " " " " 1897.....	4,139,847.68	3,767,675.70	372,171.98	
" " " " " " 1898.....	3,647,353.09	3,803,081.38		155,728.29
" " " " " " 1899.....	4,096,494.96	3,710,420.82	386,074.14	
" " " " " " 1900.....	4,192,940.18	4,003,729.37	189,210.81	
" " " " " " 1901.....	4,466,043.92	4,038,834.49	427,209.43	
" " " " " " 1902.....	4,291,082.91	4,345,003.58		53,920.67
" " " " " " 1903.....	5,466,653.13	4,888,982.57	577,670.56	
" " " " " " 1904.....	6,128,358.57	5,267,453.02	860,905.55	
" " " " " " 1905.....	6,016,176.42	5,396,016.74	620,159.68	
" " " " " " 1906.....	7,149,478.39	6,720,179.07	429,299.32	
" " " " " " 1907.....	8,320,419.19	7,714,245.61	606,173.58	
" " " " " " 1908.....	8,602,902.96	8,557,064.60	45,838.36	
Ten months ended October 31st, 1909.....	7,477,920.94	7,545,040.47		67,119.53
Fiscal Year ended October 31st, 1910.....	8,891,004.68	8,887,520.09	3,484.59	
" " " " " " 1911.....	9,370,833.90	9,619,934.03		249,100.13
" " " " " " 1912.....	10,042,000.68	10,287,991.59		245,990.91
" " " " " " 1913.....	11,188,302.09	10,868,026.28	320,275.81	
" " " " " " 1914.....	11,121,382.07	11,819,310.65		697,928.58
" " " " " " 1915.....	12,975,732.19	12,704,362.16	271,370.03	
" " " " " " 1916.....	13,841,339.64	12,706,332.90	1,135,006.74	
" " " " " " 1917.....	18,269,597.23	16,518,222.64	1,751,374.59	
" " " " " " 1918.....	19,270,123.71	17,460,404.05	1,809,719.66	
" " " " " " 1919.....	19,904,772.04	21,464,574.88		1,559,802.84
" " " " " " 1920.....	25,078,094.62	25,880,842.45		802,747.83
" " " " " " 1921.....	29,261,477.39	28,579,687.98	681,789.41	
" " " " " " 1922.....	38,507,311.09	37,442,985.83	1,064,325.26	
" " " " " " 1923.....	26,166,213.39	41,361,439.92		15,195,226.53
" " " " " " 1924.....	30,569,015.92	39,037,780.43		8,468,764.51
" " " " " " 1925.....	35,852,404.28	40,959,769.27		5,107,364.99
" " " " " " 1926.....	40,984,958.63	41,797,098.94		812,140.31
" " " " " " 1927.....	46,607,638.88	46,248,415.49	359,223.39	
" " " " " " 1928.....	48,570,217.10	48,341,980.66	228,236.44	
" " " " " " 1929.....	54,012,679.53	51,369,785.85	2,642,893.68	
" " " " " " 1930.....	57,343,291.21	57,989,352.69		646,061.48
" " " " " " 1931.....	54,390,092.37	54,846,994.28		456,901.91
" " " " " " 1932.....	54,175,233.01	56,236,031.32		2,060,798.31
" " " " " " 1933.....	**51,373,051.98	50,896,626.37	476,425.61	
" " " " " " 1934.....	50,067,841.37	80,667,091.15		30,599,249.78
Five Months ended March 31st, 1935.....	21,048,944.06	31,489,616.34		10,440,672.28
Fiscal Year ended March 31st, 1936.....	65,726,984.57	79,069,690.31		13,342,705.74
" " " " " " 1937.....	80,488,439.95	71,174,501.41	9,313,938.54	
" " " " " " 1938.....	86,052,792.88	81,443,074.35	4,609,718.53	
" " " " " " 1939.....	86,843,270.67	86,520,775.25	322,495.42	
" " " " " " 1940.....	88,172,951.62	91,407,047.81		3,234,096.19
" " " " " " 1941.....	103,802,020.46	89,867,589.32	13,934,431.14	
" " " " " " 1942.....	111,496,169.77	96,337,015.77	15,159,154.00	
" " " " " " 1943.....	118,076,044.22	102,126,226.13	15,949,818.09	
" " " " " " 1944.....	118,096,683.51	106,780,714.54	11,315,968.97	
***1945.....	116,023,800.00	115,909,400.00	114,400.00	

***Gross Interim figures only.

STATEMENT No. 4

PROVINCE

Statement of Gross

1914-

	Gross Debt		Realizable and Income		
	Total \$	Yearly Increase \$	Hydro \$	T. & N.O. \$	Loans, Cash and Accts. Receivable \$
1914.....	41,716,000	.....	10,110,000	20,246,000	5,066,000
1915.....	50,275,000	8,559,000	12,316,000	20,483,000	8,007,000
1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000
1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000
1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000
1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000
1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000
1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000
1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000
1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000
1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000
1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000
1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000
1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000
1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000
1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000
1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000
1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000
1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000
1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000
1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000
1935*.....	674,386,000	18,625,000	187,878,000	37,208,000	70,885,000
1936.....	689,559,000	15,173,000	172,735,000	36,408,000	74,377,000
1937.....	656,460,000	33,099,000	151,573,000	30,208,000	69,243,000
1938.....	678,075,000	21,615,000	149,621,000	30,208,000	59,952,000
1939.....	712,767,000	34,692,000	147,841,000	30,208,000	56,450,000
1940.....	737,078,000	24,311,000	145,319,000	30,208,000	54,348,000
1941.....	729,648,000	7,430,000	137,600,000	30,208,000	55,640,000
1942.....	724,771,000	4,877,000	135,904,000	30,208,000	51,531,000
1943.....	704,864,000	19,907,000	121,684,000	30,208,000	57,531,000
1944.....	666,528,000	38,336,000	105,150,000	30,208,000	48,676,000

*Five months ended March 31st.

- a Population as per Dominion Bureau of Statistics' Estimates as shown in Canada Year Book 1940, p. 103.
 b " " Register General's Estimates as shown in report of 1940, p. 1.
 c " " Dominion Bureau of Statistics Census, 1941.

NOTE:—Actual figures to nearest \$1,000.

STATEMENT No. 4

OF ONTARIO

and Net Debt

1944

Producing Assets		Net Debt		Year	Population	Per Capita Net Debt \$
Total \$	Yearly Increase \$	Total \$	Yearly Increase \$			
35,422,000	.....	6,294,000	.....	1914 Est.	2,705,000	2.33
40,806,000	5,384,000	9,469,000	3,175,000	1915 "	2,724,000	3.48
50,807,000	10,001,000	8,529,000	940,000	1916 "	2,713,000	3.14
54,888,000	4,081,000	6,937,000	1,592,000	1917 "	2,724,000	2.55
67,544,000	12,656,000	7,765,000	828,000	1918 "	2,744,000	2.83
83,917,000	16,373,000	13,115,000	5,350,000	1919 "	2,789,000	4.70
104,407,000	20,490,000	22,855,000	9,740,000	1920 "	2,863,000	7.98
157,837,000	53,430,000	44,609,000	21,754,000	1921 Cen.	2,934,000	15.20
173,144,000	15,307,000	60,045,000	15,436,000	1922 Est.	2,980,000	20.15
190,047,000	16,903,000	100,978,000	40,933,000	1923 "	3,013,000	33.51
210,515,000	20,468,000	118,993,000	18,015,000	1924 "	3,059,000	38.90
199,810,000	10,705,000	132,581,000	13,588,000	1925 "	3,111,000	42.62
204,580,000	4,770,000	144,536,000	11,955,000	1926 "	3,164,000	45.68
211,141,000	6,561,000	157,779,000	13,243,000	1927 "	3,219,000	49.01
220,320,000	9,179,000	173,794,000	16,015,000	1928 "	3,278,000	53.02
238,737,000	18,417,000	188,177,000	14,383,000	1929 "	3,334,000	56.44
260,594,000	21,857,000	212,778,000	24,601,000	1930 "	3,386,000	62.84
276,640,000	16,046,000	244,027,000	31,249,000	1931 Cen.	3,432,000	71.10
296,745,000	20,105,000	277,674,000	33,647,000	1932 Est.	3,459,000	80.28
294,687,000	2,058,000	299,441,000	21,767,000	1933 "	3,524,000	84.97
297,284,000	2,597,000	358,477,000	59,036,000	1934 "	3,566,000	100.53
295,971,000	1,313,000	378,415,000	19,938,000	1934 "	3,566,000	106.12
283,520,000	12,451,000	406,039,000	27,624,000	1935 "	3,596,000	112.91
251,024,000	32,496,000	405,436,000	603,000	a 1936 "	3,690,000	109.87
239,781,000	11,243,000	438,294,000	32,858,000	a 1937 "	3,711,000	118.11
234,499,000	5,282,000	478,268,000	39,974,000	a 1938 "	3,731,000	128.19
229,875,000	4,624,000	507,203,000	28,935,000	a 1939 "	3,752,000	135.18
223,448,000	6,427,000	506,200,000	1,003,000	b 1940 "	3,763,000	134.52
217,643,000	5,805,000	507,128,000	928,000	c 1941 Cen.	3,788,000	133.88
209,423,000	8,220,000	495,441,000	11,687,000	c 1941 "	3,788,000	130.79
184,034,000	25,389,000	482,494,000	12,947,000	1941 "	3,788,000	127.37

STATEMENT No. 5

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31, 1944

FUNDED DEBT—		
Stock and Debentures Outstanding.....	\$629,037,573	30
Railway Aid Certificates.....	90,930	66
	\$629,128,503	96
Deduct—Sinking Fund Investments.....	19,425,141	15
Total Funded Debt.....	\$609,703,362	81
UNFUNDED DEBT—		
Treasury Bills.....	\$ 3,000,000	00
Savings Office Deposits.....	38,008,874	82
Special Funds, etc.....	6,093,977	11
	47,102,851	93
ACCOUNTS PAYABLE AND ACCRUED INTEREST.....	9,721,748	65
Gross Debt.....	\$666,527,963	39
INVESTMENT THEREOF—		
Revenue Producing and Realizable Assets—		
Hydro-Electric Power Commission Advances.....	\$105,149,901	47
Temiskaming and Northern Ontario Railway—		
Advances.....	30,207,934	92
Loans—Farm, Municipal, etc.....	35,934,827	94
Accounts Receivable.....	8,738,562	75
Cash.....	4,003,172	43
	\$184,034,399	51
Revenue Producing but not Realizable Assets—		
Roads and Highways.....	\$357,788,395	01
Niagara Parks Commission (Surplus of Assets).....	1,111,956	29
Dominion of Canada—Common School Fund.....	1,424,597	20
Dominion of Canada—Debt Account.....	2,848,289	52
	363,173,238	02
Total Revenue Producing Assets.....	\$547,207,637	53
Non-Revenue Producing Assets—		
Public Buildings, Public Works, etc.....	\$114,961,600	19
Equipment, Stores and Materials.....	3,434,072	74
Other Loans and Advances.....	3,899,087	94
	122,294,760	87
Other Assets—		
Unemployment (Direct) Relief (Less amount written off)\$	14,045,036	40
Discount on Debentures, etc. (Less amount written off).	5,794,015	43
	19,839,051	83
Total Assets.....	\$689,341,450	23
SURPLUS AND RESERVES—represented in above Assets.....	\$ 22,813,486	84

STATEMENT No. 6

GROSS PROVINCIAL DEBT

Statement Showing Decrease

For the Fiscal Year, April 1, 1943, to March 31, 1944

	1941		1942		1943		1944		Decrease 1944 over 1943	
	\$	c. \$	\$	c. \$	\$	c. \$	\$	c. \$	\$	c.
Funded Debt. . .	616,584,197	24	619,495,686	16	610,404,929	97	609,703,362	81	701,567	16
Unfunded Debt. .	103,315,482	45	95,195,223	18	84,784,377	39	47,102,851	93	37,681,525	46
Income Liabilities	9,748,483	07	10,079,971	61	9,675,053	74	9,721,748	65	46,694	91
	<u>729,648,162</u>	<u>76</u>	<u>724,770,880</u>	<u>95</u>	<u>704,864,361</u>	<u>10</u>	<u>666,527,963</u>	<u>39</u>	<u>38,336,397</u>	<u>71</u>

DECREASE IN GROSS DEBT ACCOUNTED FOR THUS—

Provision Charged to Ordinary Expenditures—

Retirement of Railway Aid Certificates.	\$	24,685	44
Sinking Fund Instalments.		5,570,000	00
Surplus on Ordinary Account (as per Statement 1).		11,315,968	97

\$ 16,910,654 41

Discount on Debentures, etc., written off.		1,284,312	94
Earnings on Sinking Fund Investments (net).		15,881	72

Net Repayments on Loans Receivable—

Hydro-Electric Power Commission of

Ontario. \$ 16,534,286 65

Agricultural Development Board. 4,050,000 00

Housing. 15,283 72

Tile Drainage. 101,154 15

Municipal Drainage. 9,405 40

Miscellaneous. 133,888 08

20,844,018 00

Increase in Reserves (net). 4,500 95

Decrease in Sundry Assets of Savings Office. 8,551 13

Decrease in Cash. 4,317,581 98

\$43,385,501 13

Deduct:

Capital Disbursements—

Disbursements on Highways, Public Buildings and

Works, etc. \$ 2,936,817 40

Less: Capital Receipts. 187,782 71

\$ 2,749,034 69

Discount on Debentures, etc., issued during year. 123,597 05

Payments re Guaranteed Debentures (net). 2,129,776 77

Increase in Income Liabilities. 46,694 91

5,049,103 42

NET DECREASE. \$ 38,336,397 71

STATEMENT No. 7

NET PROVINCIAL DEBT

Statement Showing Decrease

For the Fiscal Year, April 1, 1943, to March 31, 1944

	1941		1942		1943		1944		Decrease 1944 over 1943	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
Gross Debt.....	729,648,162	76	724,770,880	95	704,864,361	10	666,527,963	39	38,336,397	71
Revenue Producing and Realizable Assets....	223,448,148	39	217,642,774	47	209,423,069	77	184,034,399	51	25,388,670	26
NET DEBT....	506,200,014	37	507,128,106	48	495,441,291	33	482,493,563	88	12,947,727	45

DECREASE IN NET DEBT ACCOUNTED FOR THUS—

Provision Charged to Ordinary Expenditure—

Retirement of Railway Aid Certificates.....	\$	24,685	44
Sinking Fund Instalments.....		5,570,000	00
Surplus on Ordinary Account (as per Statement 1)		11,315,968	97

\$ 16,910,654 41

Discount on Debentures, etc., written off.....		1,284,312	94
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Earnings on Sinking Fund Investments (net).....		15,881	72
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Increase in Income Accounts Receivable.....		706,093	59
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Decrease in Savings Offices—Furniture and Fixtures and

Alterations to Premises.....		8,533	94
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Increase in Reserves.....		4,500	95
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Miscellaneous Decreases.....		4,353	63
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Adjustment re Old Age Pensions.....		34,397	30
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\$ 18,968,728 48

Deduct:

Capital Disbursements—

Disbursements on Highways, Public Buildings and Works, etc.....	\$	2,936,817	40
Less—Capital Receipts.....		187,782	71

\$ 2,749,034 69

Discount on Debentures, etc., issued during year.....		123,597	05
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Increase in Other Loans and Advances.....		1,577,277	23
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Decrease in Accrued Interest on Agricultural Development Board Debentures.....		1,524,397	15
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Increase in Income Liabilities.....		46,694	91
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6,021,001 03

NET DECREASE.....\$ 12,947,727 45

